Introduced by Committee on Business, Professions and Economic Development (Senators Ridley-Thomas (Chair), Aanestad, Corbett, Denham, Florez, Harman, Simitian, and Yee)

March 22, 2007

An act to amend Sections 337, 2225, 2416, 2497.5, 2717, and 2732.05 of, to add Section 2471 to, and to repeal and add Section 3530 of, the Business and Professions Code, and to amend Sections 11372, 12529, and 12529.5 of the Government Code, relating to healing arts.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1048, as introduced, Committee on Business, Professions and Economic Development. Healing arts.

(1) Existing law provides for the licensing and regulation of podiatrists by the California Board of Podiatric Medicine, within the jurisdiction of the Medical Board of California. Existing law creates the Health Quality Enforcement Section within the Department of Justice with the primary responsibility of prosecuting proceedings against licensees and applicants within the jurisdiction of the medical board and various other boards. Existing law requires that all complaints or relevant information concerning licensees that are within the jurisdiction of the Medical Board of California or the Board of Psychology be made available to the Health Quality Enforcement Section.

This bill would authorize the board to employ, within the limits of the funds received by the board and subject to specified limitations, all personnel necessary to carry out the licensing and regulatory provisions applicable to podiatrists. The bill also would clarify that the provisions concerning the responsibilities of the Health Quality Enforcement Section within the Department of Justice apply to complaints and proceedings concerning licensees of the board.

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(2) Existing law, the Nursing Practice Act, provides for the registration and regulation of nurses by the Board of Registered Nursing in the Department of Consumer Affairs. Existing law requires an employer of, or agent for, a registered nurse to ascertain that the nurse is authorized to practice as a registered professional nurse. A violation of the Nursing Practice Act is a crime.

This bill would require an employer of, or agent for, a registered nurse required to hold a board-issued certification, as specified, or a temporary licensee or interim permittee to practice nursing to ascertain that the person is currently authorized to practice pursuant to the board-issued certification or as a temporary licensee or interim permittee. Because this bill would impose new requirements under the Nursing Practice Act, the violation of which would be a crime, it would impose a state-mandated local program.

(3) Existing law, the Physician Assistant Practice Act, provides for the licensing and regulation of physician assistants by the Physician Assistant Committee of the Medical Board of California. Existing law provides for the submission of applications for reinstatement, restoration, or modification of probation with respect to the revocation of a license or approval of a physician assistant after a specified period of time.

This bill would delete those provisions and would instead authorize a person whose license or approval has been revoked or suspended or who has been placed on probation to petition the committee to reinstate the license or approval or modify the penalty after specified minimum periods of time, would require the petitioner to submit certain information, and would provide for a hearing by the committee, as specified.

- (4) This bill would make other nonsubstantive changes.
- (5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 337 of the Business and Professions Code
- 2 is amended to read:

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337. (a) The department shall prepare and disseminate an informational brochure for victims of psychotherapist-patient sexual contact and advocates for those victims. This brochure shall be developed by the department in consultation with members of the Sexual Assault Program of the Office of Criminal Justice Planning and the office of the Attorney General.

- (b) The brochure shall include, but is not limited to, the following:
- (1) A legal and an informal definition of psychotherapist-patient sexual contact.
- (2) A brief description of common personal reactions and histories of victims and victim's families.
  - (3) A patient's bill of rights.

- (4) Options for reporting psychotherapist-patient sexual relations and instructions for each reporting option.
- (5) A full description of administrative, civil, and professional associations complaint procedures.
  - (6) A description of services available for support of victims.
- (c) The brochure shall be provided to each individual contacting the Medical Board of California and their allied affiliated health boards or the Board of Behavioral—Science Examiners Sciences regarding a complaint involving—psychotherapist-patient psychotherapist-patient sexual relations.
- SEC. 2. Section 2225 of the Business and Professions Code is amended to read:
- 2225. (a) Notwithstanding Section 2263 and any other provision of law making a communication between a physician and surgeon or a-podiatrist doctor of podiatric medicine and his or her patients a privileged communication, those provisions shall not apply to investigations or proceedings conducted under this chapter. Members of the board, the Senior Assistant Attorney General of the Health Quality Enforcement Section, members of the California Board of Podiatric Medicine, and deputies, employees, agents, and representatives of the board or the California Board of Podiatric Medicine and the Senior Assistant Attorney General of the Health Quality Enforcement Section shall keep in confidence during the course of investigations, the names of any patients whose records are reviewed and may not disclose or reveal those names, except as is necessary during the course of an investigation, unless and until proceedings are instituted. The

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authority of the board or the *California* Board of Podiatric Medicine and the Health Quality Enforcement Section to examine records of patients in the office of a physician and surgeon or a podiatrist doctor of podiatric medicine is limited to records of patients who have complained to the board or the *California* Board of Podiatric Medicine about that licensee.

- (b) Notwithstanding any other provision of law, the Attorney General and his or her investigative agents, and investigators and representatives of the board or the *California* Board of Podiatric Medicine, may inquire into any alleged violation of the Medical Practice Act or any other federal or state law, regulation, or rule relevant to the practice of medicine or podiatric medicine, whichever is applicable, and may inspect documents relevant to those investigations in accordance with the following procedures:
- (1) Any document relevant to an investigation may be inspected, and copies may be obtained, where patient consent is given.
- (2) Any document relevant to the business operations of a licensee, and not involving medical records attributable to identifiable patients, may be inspected and copied where relevant to an investigation of a licensee.
- (c) In all cases where documents are inspected or copies of those documents are received, their acquisition or review shall be arranged so as not to unnecessarily disrupt the medical and business operations of the licensee or of the facility where the records are kept or used.
- (d) Where documents are lawfully requested from licensees in accordance with this section by the Attorney General or his or her agents or deputies, or investigators of the board or the *California* Board of Podiatric Medicine, they shall be provided within 15 business days of receipt of the request, unless the licensee is unable to provide the documents within this time period for good cause, including, but not limited to, physical inability to access the records in the time allowed due to illness or travel. Failure to produce requested documents or copies thereof, after being informed of the required deadline, shall constitute unprofessional conduct. The board may use its authority to cite and fine a physician and surgeon for any violation of this section. This remedy is in addition to any other authority of the board to sanction a licensee for a delay in producing requested records.

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(e) Searches conducted of the office or medical facility of any licensee shall not interfere with the recordkeeping format or preservation needs of any licensee necessary for the lawful care of patients.

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- SEC. 3. Section 2416 of the Business and Professions Code is amended to read:
- 2416. Physicians and surgeons and podiatrists doctors of podiatric medicine may conduct their professional practices in a partnership or group of physicians physician and surgeons or a partnership or group of podiatrists doctors of podiatric medicine, respectively. Physicians Physician and surgeons and podiatrists doctors of podiatric medicine may establish a professional partnership that includes both physicians physician and surgeons and podiatrists doctors of podiatric medicine, if both of the following conditions are satisfied:
- (a) A majority of the partners and partnership interests in the professional partnership are physicians physician and surgeons or osteopathic physicians physician and surgeons.
- (b) Notwithstanding Chapter 2 (commencing with Section 15001) of Title 1 of the Corporations Code, a partner who is not a physician and surgeon shall not practice in the partnership or vote on partnership matters related to the practice of medicine that are outside his or her scope of practice. All partners may vote on general administrative, management, and business matters.
- SEC. 4. Section 2471 is added to the Business and Professions Code, to read:
- 2471. Except as provided by Section 159.5, the board may employ, within the limits of the funds received by the board, all personnel necessary to carry out this chapter.
- SEC. 5. Section 2497.5 of the Business and Professions Code is amended to read:
- 2497.5. (a) The board may request the administrative law judge, under his or her proposed decision in resolution of a disciplinary proceeding before the board, to direct any licensee found guilty of unprofessional conduct to pay to the board a sum not to exceed the actual and reasonable costs of the investigation and prosecution of the case.
- (b) The costs to be assessed shall be fixed by the administrative law judge and shall not in any event be increased by the board. 40 When the board does not adopt a proposed decision and remands

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the case to an administrative law judge, the administrative law judge shall not increase the amount of any costs assessed in the proposed decision.

- (c) When the payment directed in the board's order for payment of costs is not made by the licensee, the board may enforce the order for payment by bringing an action in any appropriate court. This right of enforcement shall be in addition to any other rights the board may have as to any licensee directed to pay costs.
- (d) In any judicial action for the recovery of costs, proof of the board's decision shall be conclusive proof of the validity of the order of payment and the terms for payment.
- (e) (1) Except as provided in paragraph (2), the board shall not renew or reinstate the license of any licensee who has failed to pay all of the costs ordered under this section.
- (2) Notwithstanding paragraph (1), the board may, in its discretion, conditionally renew or reinstate for a maximum of one year the license of any licensee who demonstrates financial hardship and who enters into a formal agreement with the board to reimburse the board within that one year period for those unpaid costs.
- (f) All costs recovered under this section shall be deposited in the Podiatry Board of Podiatric Medicine Fund as a reimbursement in either the fiscal year in which the costs are actually recovered or the previous fiscal year, as the board may direct.
- SEC. 6. Section 2717 of the Business and Professions Code is amended to read:
- 2717. (a) The board shall collect and analyze workforce data from its licensees for future workforce planning. The board may collect the data at the time of license renewal or from a scientifically selected random sample of its licensees. The board shall produce reports on the workforce data it collects, at a minimum, on a biennial basis. The board shall maintain the confidentially confidentiality of the information it receives from licensees under this section and shall only release information in an aggregate form that cannot be used to identify an individual. The workforce data collected by the board shall include, at a minimum, employment information such as hours of work, number of positions held, time spent in direct patient care, clinical practice area, type of employer, and work location. The data shall also

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include future work intentions, reasons for leaving or reentering nursing, job satisfaction ratings, and demographic data.

- (b) Aggregate information collected pursuant to this section shall be placed on the board's Internet Web site.
- (c) The board is authorized to expend the sum of one hundred forty-five thousand dollars (\$145,000) from the Board of Registered Nursing Fund in the Professions and Vocations Fund for the purpose of implementing this section.
- 9 (d) This section shall be implemented by the board on or before 10 July 1, 2003.
  - SEC. 7. Section 2732.05 of the Business and Professions Code is amended to read:
  - 2732.05. (a) Every employer of a registered nurse, every employer of a registered nurse required to hold any board-issued certification, and every person acting as an agent for such a nurse in obtaining employment, shall ascertain that—such the nurse is currently authorized to practice as a registered—professional nurse or as a registered nurse pursuant to a board-issued certification within the provisions of this chapter. As used in this section, "board-issued certification" includes, but is not limited to, certification as a nurse practitioner, nurse practitioner with a furnishing number, nurse anesthetist, nurse midwife, nurse midwife with a furnishing number, public health nurse, clinical nurse specialist, or board listed psychiatric mental health nurse.
  - (b) Every employer of a temporary licensee or interim permittee and every person acting as an agent for a temporary licensee or interim permittee in obtaining employment shall ascertain that the person is currently authorized to practice as a temporary licensee or interim permittee.
  - (c) As used in this section, the term "agent" includes, but is not limited to, a nurses registry and a traveling nurse agency.
  - Examination by an employer or agent of evidence satisfactory to the board showing the nurse's, *licensee's*, *or permittee's* current authority to practice under this chapter, prior to employment, shall constitute a determination of authority to so practice.
  - Nothing in this section shall apply to a patient, or other person acting for a specific patient, who engages the services of a registered nurse, *temporary licensee*, *or interim permittee* to provide nursing care to a single patient.

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SEC. 8. Section 3530 of the Business and Professions Code is repealed.

3530. One year from the date of a revocation of a license or

3530. One year from the date of a revocation of a license or approval under this chapter, application may be made to the committee or the board in the case of approval of an application to supervise physician assistants for reinstatement, restoration or modification of probation. The committee may accept or reject an application for reinstatement, restoration, or modification of probation and may require an examination for that reinstatement, restoration, or modification of probation when it is deemed appropriate for a license or approval under this chapter.

- SEC. 9. Section 3530 is added to the Business and Professions Code, to read:
- 3530. (a) A person whose license or approval has been revoked or suspended, or who has been placed on probation, may petition the committee for reinstatement or modification of penalty, including modification or termination of probation, after a period of not less than the following minimum periods has elapsed from the effective date of the decision ordering that disciplinary action:
- (1) At least three years for reinstatement of a license or approval revoked for unprofessional conduct, except that the committee may, for good cause shown, specify in a revocation order that a petition for reinstatement may be filed after two years.
- (2) At least two years for early termination of probation of three years or more.
- (3) At least one year for modification of a condition, or reinstatement of a license or approval revoked for mental or physical illness, or termination of probation of less than three years.
- (b) The petition shall state any facts as may be required by the board. The petition shall be accompanied by at least two verified recommendations from physicians licensed either by the Medical Board of California or the Osteopathic Medical Board who have personal knowledge of the activities of the petitioner since the disciplinary penalty was imposed.
- (c) The petition may be heard by the committee. The committee may assign the petition to an administrative law judge designated in Section 11371 of the Government Code. After a hearing on the petition, the administrative law judge shall provide a proposed decision to the committee that shall be acted upon in accordance with the Administrative Procedure Act.

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(d) The committee or the administrative law judge hearing the petition, may consider all activities of the petitioner since the disciplinary action was taken, the offense for which the petitioner was disciplined, the petitioner's activities during the time the license was in good standing, and the petitioner's rehabilitative efforts, general reputation for truth, and professional ability. The hearing may be continued, as the committee or administrative law judge finds necessary.

- (e) The committee or administrative law judge, when hearing a petition for reinstating a license or approval or modifying a penalty, may recommend the imposition of any terms and conditions deemed necessary.
- (f) No petition shall be considered while the petitioner is under sentence for any criminal offense, including any period during which the petitioner is on court-imposed probation or parole. No petition shall be considered while there is an accusation or petition to revoke probation pending against the person. The committee may deny, without a hearing or argument, any petition filed pursuant to this section within a period of two years from the effective date of the prior decision following a hearing under this section.
- (g) Nothing in this section shall be deemed to alter Sections 822 and 823.
- SEC. 10. Section 11372 of the Government Code is amended to read:
- 11372. (a) Except as provided in subdivision (b), all adjudicative hearings and proceedings relating to the discipline or reinstatement of licensees of the Medical Board of California, including licensees of allied affiliated health agencies within the jurisdiction of the Medical Board of California, that are heard pursuant to the Administrative Procedure Act, shall be conducted by an administrative law judge as designated in Section 11371, sitting alone if the case is so assigned by the agency filing the charging pleading.
- (b) Proceedings relating to interim orders shall be heard in accordance with Section 11529.
- 37 SEC. 11. Section 12529 of the Government Code, as amended 38 by Section 24 of Chapter 674 of the Statutes of 2005, is amended 39 to read:

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12529. (a) There is in the Department of Justice the Health Quality Enforcement Section. The primary responsibility of the section is to investigate and prosecute proceedings against licensees and applicants within the jurisdiction of the Medical Board of California including all committees, the California Board of Podiatric Medicine, the Board of Psychology, or any committee under the jurisdiction of the board Medical Board of California or a division of the board, including the Board of Podiatric Medicine, and the Board of Psychology.

- (b) The Attorney General shall appoint a Senior Assistant Attorney General of the Health Quality Enforcement Section. The Senior Assistant Attorney General of the Health Quality Enforcement Section shall be an attorney in good standing licensed to practice in the State of California, experienced in prosecutorial or administrative disciplinary proceedings and competent in the management and supervision of attorneys performing those functions.
- (c) The Attorney General shall ensure that the Health Quality Enforcement Section is staffed with a sufficient number of experienced and able employees that are capable of handling the most complex and varied types of disciplinary actions against the licensees of the division or board.
- (d) Funding for the Health Quality Enforcement Section shall be budgeted in consultation with the Attorney General from the special funds financing the operations of the Medical Board of California, the California Board of Podiatric Medicine, *the Board of Psychology*, and the committees under the jurisdiction of the Medical Board of California or a division of the board, and the Board of Psychology, with the intent that the expenses be proportionally shared as to services rendered.
- (e) This section shall become inoperative on July 1, 2008, and, as of January 1, 2009, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2009, deletes or extends the dates on which it becomes inoperative and is repealed.
- SEC. 12. Section 12529 of the Government Code, as added by Section 25 of Chapter 674 of the Statutes of 2005, is amended to read:
- 38 12529. (a) There is in the Department of Justice the Health 39 Quality Enforcement Section. The primary responsibility of the 40 section is to prosecute proceedings against licensees and applicants

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within the jurisdiction of the Medical Board of California including all committees, the California Board of Podiatric Medicine, the Board of Psychology, or any committee under the jurisdiction of the board Medical Board of California or a division of the board, including the Board of Podiatric Medicine, and the Board of Psychology, and to provide ongoing review of the investigative activities conducted in support of those prosecutions, as provided in subdivision (b) of Section 12529.5.

- (b) The Attorney General shall appoint a Senior Assistant Attorney General of the Health Quality Enforcement Section. The Senior Assistant Attorney General of the Health Quality Enforcement Section shall be an attorney in good standing licensed to practice in the State of California, experienced in prosecutorial or administrative disciplinary proceedings and competent in the management and supervision of attorneys performing those functions.
- (c) The Attorney General shall ensure that the Health Quality Enforcement Section is staffed with a sufficient number of experienced and able employees that are capable of handling the most complex and varied types of disciplinary actions against the licensees of the division or board.
- (d) Funding for the Health Quality Enforcement Section shall be budgeted in consultation with the Attorney General from the special funds financing the operations of the Medical Board of California, the California Board of Podiatric Medicine, *the Board of Psychology*, and the committees under the jurisdiction of the Medical Board of California or a division of the board, and the Board of Psychology, with the intent that the expenses be proportionally shared as to services rendered.
  - (e) This section shall become operative July 1, 2008.
- SEC. 13. Section 12529.5 of the Government Code, as amended by Section 26 of Chapter 674 of the Statutes of 2005, is amended to read:
- 12529.5. (a) All complaints or relevant information concerning licensees that are within the jurisdiction of the Medical Board of California, *the California Board of Podiatric Medicine*, or the Board of Psychology shall be made available to the Health Quality Enforcement Section.
- (b) The Senior Assistant Attorney General of the Health Quality
   Enforcement Section shall assign attorneys to work on location at

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the intake unit of the boards described in subdivision (d) of Section
 12529 to assist in evaluating and screening complaints and to assist
 in developing uniform standards and procedures for processing
 complaints.

- (c) The Senior Assistant Attorney General or his or her deputy attorneys general shall assist the boards, division, or allied health committees, including the Board of Podiatric Medicine, in designing and providing initial and in-service training programs for staff of the division, boards, or allied health committees, including, but not limited to, information collection and investigation.
- (d) The determination to bring a disciplinary proceeding against a licensee of the division or the boards shall be made by the executive officer of the division, the board, or allied health committee, including the Board of Podiatric Medicine, or the Board of Psychology, boards, or committees as appropriate in consultation with the senior assistant.
- (e) This section shall become inoperative on July 1, 2008, and, as of January 1, 2009, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2009, deletes or extends the dates on which it becomes inoperative and is repealed.
- SEC. 14. Section 12529.5 of the Government Code, as added by Section 27 of Chapter 674 of the Statutes of 2005, is amended to read:
- 12529.5. (a) All complaints or relevant information concerning licensees that are within the jurisdiction of the Medical Board of California, *the California Board of Podiatric Medicine*, or the Board of Psychology shall be made available to the Health Quality Enforcement Section.
- (b) The Senior Assistant Attorney General of the Health Quality Enforcement Section shall assign attorneys to assist the division and the boards in intake and investigations and to direct discipline-related prosecutions. Attorneys shall be assigned to work closely with each major intake and investigatory unit of the boards, to assist in the evaluation and screening of complaints from receipt through disposition and to assist in developing uniform standards and procedures for the handling of complaints and investigations.
- A deputy attorney general of the Health Quality Enforcement Section shall frequently be available on location at each of the

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working offices at the major investigation centers of the boards, to provide consultation and related services and engage in case review with the boards' investigative, medical advisory, and intake staff. The Senior Assistant Attorney General and deputy attorneys general working at his or her direction shall consult as appropriate with the investigators of the boards, medical advisors, and executive staff in the investigation and prosecution of disciplinary cases.

- (c) The Senior Assistant Attorney General or his or her deputy attorneys general shall assist the boards, division, or allied health committees, including the Board of Podiatric Medicine, in designing and providing initial and in-service training programs for staff of the division, boards, or allied health committees, including, but not limited to, information collection and investigation.
- (d) The determination to bring a disciplinary proceeding against a licensee of the division or the boards shall be made by the executive officer of the division, the board, or allied health committee, including the Board of Podiatric Medicine, or the Board of Psychology, boards, or committees as appropriate in consultation with the senior assistant.
  - (e) This section shall become operative July 1, 2008.
- SEC. 15. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIIIB of the California Constitution.